

BILL GRAVES, GOVERNOR OF THE STATE OF KANSAS



KANSAS DEPARTMENT OF SOCIAL  
AND REHABILITATION SERVICES

915 SW HARRISON STREET, TOPEKA, KANSAS 66612

ROCHELLE CHRONISTER, SECRETARY

November 9, 1995

Mr. Richard P. Brummel  
Health Care Financing Administration  
Federal Office Building  
601 East 12th Street  
Kansas City, Missouri 64106

Dear Mr. Brummel:

In accordance with 42 CFR 447.253 the Department of Social and Rehabilitation Services submits the following assurances to Kansas Medicaid payments for general hospital services. This assurance relates to MS-94-19 regarding the reimbursement methodology for general hospital inpatient services.

1. Payment Rates

42 CFR 447.253(b)(1)(i)

Payment rates are reasonable and adequate to meet the costs that must be incurred by efficiency and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards.

42 CFR 447.253(b)(1)(ii)(A)

The methods and standards used to determine payment rates take into account the situations of hospitals which serve a disproportionate number of low income patients with special needs. Hospitals are determined to be disproportionate share hospitals and payments are computed according to the methodology described in Attachment 4.19A, Section 6.0000.

42 CFR 447.253(b)(1)(ii)(B)

Services furnished to hospital inpatients who require a lower covered level of care such as skilled nursing or intermediate care services are paid at rates lower than those for inpatient hospital level of care services.

42 CFR 447.253(b)(1)(ii)(C)

The payment rates are adequate to assure that recipients have reasonable access, taking into account geographic location and reasonable travel time, to inpatient hospital services of adequate quality.

42 CFR 447.272(c)

Aggregate disproportionate share payments do not exceed the disproportionate share base allotment. Disproportionate share payments to public facilities will not exceed the limits imposed by section 13621 of the Omnibus Budget Reconciliation Act of 1993 (OBRA 1993).

EFF 7/1/94

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Social Security Act, Section 1902(a)(13)(B)

Kansas assures that payment rates to providers will not be increased by capital-related costs due solely to a change of ownership which occurs on or after July 18, 1994, in excess of the amount that would be permitted under the provision of Section 1816(v)(2)(0) of the Act.

2. Upper Payment Limits

42 CFR 447.253(b)(2)

The payment rates do not exceed the upper payment limits as specified in 42 CFR 447.272.

The State assures that aggregate payments made to each group of State-operated facilities, when considered separately, will not exceed the amount that can reasonably be estimated would have been paid for under Medicare payment principles as required by 42 CFR 447.272(b)

3. Provider Appeals

42 CFR 447.253(e)

The State in accordance with federal and state regulations assures that a fair hearing, appeal or exception procedure allowing for an administrative review and appeal by a provider is provided for payment rates.

4. Uniform Cost Reporting and Audit Requirements

42 CFR 447.253(f) and (g)

Hospitals are required to file annual cost reports with Medicare. Financial audits are performed periodically by Medicare from whom the agency received information through the common audit agreement.

5. Public Notice

42 CFR 447.253(h)

The reimbursement methodology change for inpatient hospital services has met the public notice requirements by publication in the Kansas Register.

6. Rates Paid

42 CFR 447.253(i)

The State assures that the Medicaid agency pays for inpatient hospital services using rates determined in accordance with methods and standards specified in an approved State plan.

Refers to MS-94-19

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7. Related Information

42 CFR 447.255

The average payment rate is expected to be \$3,150 per discharge in FFY 1995. This is an increase of less than 1% from FFY 1994 primarily due to continued reductions in length of stay. All hospitals received increases in their base payment rates.

Considering the estimated cost of the inpatient portion of allowances and discounts, as well as the cost of Medicaid/MediKan services, about 100% of cost is expected to be reimbursed by Medicaid, MediKan and disproportionate share payments. This is based on the best information available from the Medicare cost reports and Medicaid/MediKan paid claims.

Both the short-term and long-term effect of these changes are estimated:

1. To maintain the availability on a statewide and geographic area basis;
2. To maintain the type of care furnished;
3. To maintain the extent of provider participation; and
4. To increase the degree to which costs are covered in hospitals that serve a disproportionate number of low income patients with special needs.

Sincerely,

  
Janet Schalansky  
Deputy Secretary

JKS:AEK:mas

cc: Jim Nash

EFF 7/1/94

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JOAN FINNEY, GOVERNOR OF THE STATE OF KANSAS

**KANSAS DEPARTMENT OF SOCIAL  
AND REHABILITATION SERVICES**

DONNA WHITEMAN, SECRETARY

December 27, 1994

Mr. Richard P. Brummel  
Health Care Financing Administration  
Federal Office Building  
601 East 12th Street  
Kansas City, Missouri 64106

Dear Mr. Brummel:

In accordance with 42 CFR 447.253 the Department of Social and Rehabilitation Services submits the following assurances to Kansas Medicaid payments for general hospital services. This assurance relates to MS-94-25 regarding the reimbursement methodology for general hospital inpatient services.

1. Payment Rates

42 CFR 447.253(b)(1)(i)

Payment rates are reasonable and adequate to meet the costs that must be incurred by efficiency and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards.

42 CFR 447.253(b)(1)(ii)(A)

The methods and standards used to determine payment rates take into account the situations of hospitals which serve a disproportionate number of low income patients with special needs. Hospitals are determined to be disproportionate share hospitals and payments are computed according to the methodology described in Attachment 4.19-A, Section 6.0000.

42 CFR 447.253(b)(1)(ii)(B)

Services furnished to hospital inpatients who require a lower covered level of care such as skilled nursing or intermediate care services are paid at rates lower than those for inpatient hospital level of care services.

42 CFR 447.253(b)(1)(ii)(C)

The payment rates are adequate to assure that recipients have reasonable access, taking into account geographic location and reasonable travel time, to inpatient hospital services of adequate quality.

Social Security Act, Section 1902(a)(13)(B)

Kansas assures that payment rates to providers will not be increased by capital-related costs due solely to a change in ownership which occurs on or after July 18, 1994, in excess of the amount that would be permitted under the provision of Section 1861(v)(1)(O) of the Act.

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Refer to MS-94-25

2. Upper Payment Limits

42 CFR 447.253(b)(2)

The payment rates do not exceed the upper payment limits as specified in 42 CFR 447.272.

The State assures that aggregate payments made to each group of State-operated facilities, when considered separately, will not exceed the amount that can reasonably be estimated would have been paid for under Medicare payment principles as required by 42 CFR 447.272(b).

3. Disproportionate Share Limit

42 CFR 447.272(c)

The aggregate disproportionate share hospital payments do not exceed the disproportionate share base allotment. Disproportionate share payments to public facilities will not exceed the limits imposed by section 13621 of the Omnibus Budget Reconciliation Act of 1993 (OBRA 93).

4. Provider Appeals

42 CFR 447.253(e)

The State in accordance with federal and state regulations assures that a fair hearing, appeal or exception procedure allowing for an administrative review and appeal by a provider is provided for payment rates.

5. Uniform Cost Reporting and Audit Requirements

42 CFR 447.253(f) and (g)

Hospitals are required to file annual cost reports with Medicare. Financial audits are performed periodically by Medicare from whom the agency received information through the common audit agreement.

6. Public Notice

42 CFR 447.253(h)

The reimbursement methodology change for inpatient hospital services has met the public notice requirements by publication in the Kansas Register.

7. Rates Paid

42 CFR 447.253(i)

The State assures that the Medicaid agency pays for inpatient hospital services using rates determined in accordance with methods and standards specified in an approved State plan.

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8. Related Information

42 CFR 447.255

The average payment rate is expected to be \$3,150 per discharge in FFY 1995. This is an increase of less than 1% from FFY 1994 primarily due to continued reductions in length of stay. All hospitals received increased in their base payment rates.

Considering the estimated cost of the inpatient portion of allowances and discounts, as well as the cost of Medicaid/MediKan services, about 100% of cost is expected to be reimbursed by Medicaid, MediKan and disproportionate share payments in FY 1995 to hospitals eligible for disproportionate share payments. This is based on the best information available from the Medicare cost reports and Medicaid/MediKan paid claims.

Both the short-term and long-term effect of these changes are estimated:

1. To maintain the availability of services on a statewide and geographic area basis;
2. To maintain the type of care furnished;
3. To maintain the extent of provider participation; and
4. To increase the degree to which costs are covered in hospitals that serve a disproportionate number of low income patients with special needs.

Sincerely,



Donna L. Whiteman  
Secretary

DLW:RLE:TAH:mas

cc: Carol Finkle



JOAN FINNEY, GOVERNOR OF THE STATE OF KANSAS

**KANSAS DEPARTMENT OF SOCIAL  
AND REHABILITATION SERVICES**

DONNA WHITEMAN, SECRETARY

December 27, 1993

Mr. Richard P. Brummel  
Associate Regional Administrator  
for Division of Medicaid  
Room 227, Federal Office Building  
601 East 12th Street  
Kansas City, Missouri 64106

93 DEC 28 AM 10:58  
HHS  
HCFA-MEDICAID  
REGION VII

Dear Mr. Brummel:

In accordance with 42 CFR 447.253 the Department of Social and Rehabilitation Services submits the following assurances related to Kansas Medicaid payments for general hospital services. This assurance relates to MS-93-26 regarding the reimbursement methodology for general hospital inpatient services.

**1. Payment Rates**

**42 CFR 447.253 (b)(1)(i)**

Payment rates are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards.

**42 CFR 447.253 (b)(1)(ii)(A)**

The methods and standards used to determine payment rates take into account the situations of hospitals which serve a disproportionate number of low income patients with special needs. Hospitals are determined to be disproportionate share hospitals and payments are computed according to the methodology described in Attachment 4.19-A, Section 6.0000.

**42 CFR 447.253 (b)(1)(ii)(B)**

Services furnished to hospital inpatients who require a lower covered level of care such as skilled nursing or intermediate care services are paid at rates lower than those for inpatient hospital level of care services.

Refers to MS-93-26.

Mr. Richard P. Brummel  
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**42 CFR 447.253 (b)(1)(ii)(C)**

The payment rates are adequate to assure that recipients have reasonable access, taking into account geographic location and reasonable travel time, to inpatient hospital services of adequate quality.

**Social Security Act, Section 1902(a)(13)(B)**

Kansas assures that payment rates to providers will not be increased by capital-related costs due solely to a change in ownership which occurs on or after July 18, 1984, in excess of the amount that would be permitted under the provision of Section 18161(v)(2)(O) of the Act.

**2. Upper Payment Limits**

**42 CFR 447.253 (b)(2)**

The payment rates do not exceed the upper payment limits as specified in 42 CFR 447.272.

**3. Provider Appeals**

**42 CFR 447.253 (c)**

The State in accordance with federal and state regulations assures that a fair hearing, appeal or exception procedure allowing for an administrative review and appeal by a provider is provided for payment rates.

**4. Uniform Cost Reporting and Audit Requirements**

**42 CFR 447.253 (d) and (e)**

Hospitals are required to file annual cost reports with Medicare. Financial audits are performed periodically by Medicare from whom the agency received information through the common audit agreement.

**5. Public Notice**

**42 CFR 447.253 (f)**

The reimbursement methodology change for inpatient hospital services has met the public notice requirements by publication in the Kansas Register.

Refers to MS-93-26.

Mr. Richard P. Brummel  
December 27, 1993  
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6. Rates Paid

42 CFR 447.253 (g)

The State assures that the Medicaid agency pays for inpatient hospital services using rates determined in accordance with methods and standards specified in an approved State plan.

7. Related Information

42 CFR 447.255

The average payment rate is expected to be \$3,100 per discharge in FFY 1994. This is an increase of less than 1% from FFY 1993 primarily due to continued reductions in length of stay. All hospitals received increased in their base payment rates.

Considering the estimated cost of the inpatient portion of allowances and discounts, as well as the cost of Medicaid/MediKan services, about 100% of cost is expected to be reimbursed by Medicaid, MediKan and disproportionate share payments in Fy 1994 to hospitals eligible for disproportionate share payments. This is based upon the best information available from the Medicare cost reports and Medicaid/MediKan paid claims.

Both the short-term and long-term effect of these changes are estimated:

1. To maintain the availability of services on a statewide and geographic area basis;
2. To maintain the type of care furnished;
3. To maintain the extent of provider participation; and
4. To increase the degree to which costs are covered in hospitals that serve a disproportionate number of low income patients with special needs.

Sincerely,



Donna L. Whiteman  
Secretary

DLW:RLE:TAH:pm  
cc: Steve Otto  
Refers to MS-93-26.



JOAN FINNEY, GOVERNOR OF THE STATE OF KANSAS

**KANSAS DEPARTMENT OF SOCIAL  
AND REHABILITATION SERVICES**

DONNA WHITEMAN, SECRETARY

August 4, 1992

Mr. Richard P. Brummel  
Associate Regional Administrator  
for Division of Medicaid  
Room 227, Federal Office Building  
601 East 12th Street  
Kansas City, Missouri 64106

Dear Mr. Brummel:

In accordance with 42 CFR 447.253 the Department of Social and Rehabilitation Services submits the following assurances related to Kansas Medicaid payments for general hospital services. This assurance relates to MS-91-37 regarding the reimbursement methodology for general hospital inpatient services.

1. Payment Rates

42 CFR 447.253 (b)(1)(i)

Payment rates are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards.

42 CFR 447.253 (b)(1)(ii)(A)

The methods and standards used to determine payment rates take into account the situations of hospitals which serve a disproportionate number of low income patients with special needs. Hospitals are determined to be disproportionate share hospitals and payments are computed according to the methodology described in Attachment 4,19-A, Section 6.0000.

42 CFR 447.253 (b)(1)(ii)(B)

Services furnished to hospital inpatients who require a lower covered level of care such as skilled nursing or intermediate care services are paid at rates lower than those for inpatient hospital level of care services.

42 CFR 447.253 (b)(1)(ii)(C)

The payment rates are adequate to assure that recipients have reasonable access, taking into account geographic location and reasonable travel time, to inpatient hospital services of adequate quality.

Social Security Act, Section 1902(a)(13)(B)

Kansas assures that payment rates to providers will not be increased by capital-related costs due solely to a change in ownership which occurs on or after July 18, 1984, in excess of the amount that would be permitted under the provision of Section 18161(v)(2)(0) of the Act.

2. Upper Payment Limits

42 CFR 447.253 (b)(2)

The payment rates do not exceed the upper payment limits as specified in 42 CFR 447.272.

Refers to MS-91-37.